

Statement of Dan Richard
Chairman of the California High-Speed Authority Board of Directors
Hearing on “Continued Oversight of California High-Speed Rail”
Before the Subcommittee on Railroads, Pipelines, and Hazardous Materials
Committee on the Transportation and Infrastructure
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Chairman Denham, Ranking Member Capuano, and Members of the Subcommittee, I appreciate the opportunity to appear before you today to discuss the California High-Speed Rail program as part of the Subcommittee on Railroads, Pipelines, and Hazardous Materials ongoing oversight. I am Dan Richard, Chairman of the Board of Directors of the California High-Speed Rail Authority (Authority). In this testimony, I would like to highlight major areas of progress the Authority has made since this Subcommittee’s last oversight hearing in January 2014. I will also summarize some key elements of the Authority’s 2016 Business Plan,¹ most notably the Authority’s decision to deliver Silicon Valley to Central Valley as an initial operating line while making concurrent system-wide strategic investments throughout the state. Looking forward, I would like to provide some thoughts about how Congress and the Administration can advance the development of high-speed rail in California and nationally.

Mr. Chairman and Ranking Member, much has happened since this Subcommittee’s last oversight hearing in January 2014. Starting with our official groundbreaking in January 2015, there are now more than 119 miles of construction-related activities underway with almost \$3 billion in contracts, all of which came in with bids lower than our estimates. Major construction activity in the Central Valley is providing good paying jobs and creating opportunities for small and disadvantaged businesses all over the state. At the same time, our capital cost estimates for building the Phase 1 system between San Francisco /Merced and Los Angeles/Anaheim are lower than prior estimates.

In 2014, the California State Legislature and the Governor reaffirmed their commitment to the program by providing a new ongoing revenue stream through the state’s Cap and Trade proceeds (also referred to as Greenhouse Gas Reduction Funds). This and other developments have influenced the strategic direction of the program expressed in the Authority’s 2016 Business Plan that was submitted to the State Legislature this May. We now have a clear path forward for funding the initial operating line from the Silicon Valley to the Central Valley with federal and state public funds already committed to the program; and we plan to commence high-speed rail passenger service by 2025.

As stated in the 2016 Business Plan, our fundamental objective is to initiate high-speed rail passenger service as soon as possible so we both demonstrate its benefits and begin generating revenues that will then attract private sector participation and help fund extending the system

¹ The California High-Speed Rail Authority 2016 Business Plan:
http://www.hsr.ca.gov/about/business_plans/2016_Business_Plan.html

beyond an initial operating line. And while delivering an initial operating line, we will also make strategic concurrent investments throughout the California High-Speed Rail corridor that will provide early benefits to local communities and regional transportation systems and be linked together over time.

I. Major Areas of Progress Since 2014

A. Construction, Jobs and Small Businesses

Mr. Chairman, during this Subcommittee's January 2014 oversight hearing, you questioned whether our program had created any construction jobs. There is no longer any question about this point, which was of course the central goal of the American Recovery and Reinvestment Act of 2009 (ARRA; P.L. 111-5). Apart from statistics, I would like to renew my earlier invitation to you and the Members of this Subcommittee to tour our project construction sites in the Central Valley so that you can see for yourself the transformative progress we are making on the ground. America's first true high-speed rail system is under construction in California.

Leading up to and continuing after the January 2015 groundbreaking, we advanced the design, secured right of way, attained permits and continued geotechnical investigations that are essential to completing structural design, demolished mostly-dilapidated existing structures and relocated utilities along the right of way in preparation for the construction of dedicated high-speed rail trackways and bridges. Our construction priority is to build the long-lead time and more complex viaducts and overcrossings first, since the at-grade alignments will proceed more quickly later on. Since the start of construction more than a year ago, the project now has seven active sites with more to come this fall (for more detailed updates, including videos of our progress, please visit BuildHSR.com):

- By June 2015, the first vertical structure started taking shape at the Fresno River Viaduct in Madera. Seven small businesses and more than 100 workers have been involved in the construction of the viaduct.
- In January 2016, we began demolishing and then rebuilding the Tuolumne Street Bridge in downtown Fresno to allow for clearance over the high-speed rail line and for two-way traffic to support the revitalization of downtown Fresno's city core.
- In February 2016, we began preparing for construction of the Cedar Viaduct, which will mark the southern end of the high-speed rail line through Fresno. The viaduct will have four, tall concrete arches and extend over State Route 99, as well as North and Cedar Avenues.
- In February 2016, drilling and concrete operations began at the Fresno Trench, the almost 1.5 mile long and 40-foot deep trench that will carry high-speed rail trains under State Route 180 in Fresno.

- In partnership with Caltrans, work has begun to realign portions of State Route 99 north of Fresno to accommodate high-speed rail and, at the same time improve traffic operations, reducing congestion and improving safety in this busy corridor.
- Rebar cages have now been installed to form eight columns for the bridge at Cottonwood Creek in Madera County. Crews are in the process of pouring concrete for those columns. The Cottonwood Creek bridge will be 250 feet long stretching from north of Avenue 13 to south of Avenue 15 in Madera County.
- Engineers are reviewing plans to start foundation work in the riverbed at the San Joaquin River Viaduct in North Fresno, which will feature two concrete arches and a “pergola” structure that will allow high-speed tracks to travel above the already established Union Pacific tracks. Rebar cages have been tied and are ready to be placed once drilling work is complete.

Currently, this construction is being supported by the Authority’s partnership with the Federal Railroad Administration (FRA) and its participation High-Speed Intercity Passenger Rail (HSIPR) program with funds made available through ARRA.² The Obama Administration proposed and the Congress enacted ARRA to create jobs, aid the economic recovery of the Nation’s poorest areas, spur technological development, and build new transportation infrastructure that provides long-term economic benefits – and the California High-Speed Rail program continues to contribute to these goals.

The Authority has set an aggressive 30 percent goal for small business participation. And Mr. Chairman, given your personal advocacy on veterans’ issues and your support for veteran hiring programs both nationally and here in California, I would like to highlight the Authority’s specific goals for Disadvantaged Business Enterprises (DBE) and Disabled Veteran Business Enterprises (DVBE) of 10 percent and three percent respectively. There are currently 276 small business contractors engaged in work on the California High-Speed Rail program statewide; of that number, 94 are DBEs and 35 are DVBEs. Additionally, the Authority has dispatched over 470 craft labor workers to its design-build construction package sites, who have worked over 165,000 craft labor hours.

Mr. Chairman, Ranking Member, and Members of the Subcommittee, the Authority’s invitation to tour its Central Valley construction sites remains open. In addition to seeing for yourselves the progress we are making on the ground, I would also like you to meet the construction managers, workers, small business owners and veterans who are supporting this transformative program - and in some instances - *listen to how this program is also transforming their lives* and providing them with new opportunities.

² The Authority received a \$2.552 billion Federal Railroad Administration (FRA) High-Speed Intercity Passenger Rail (HSIPR) grant funded by ARRA, a \$928 million HSIPR grant funded by the Consolidated Appropriations Act, 2010 (Fiscal Year 2010 Appropriation Act, P.L. 111-117), and other funds made available through federal appropriations and grants.

B. September 30, 2017 ARRA Deadline

The Authority and the FRA are also extremely focused on meeting the September 30, 2017 statutory deadline for expenditure of ARRA funds. We are continually assessing and improving our methods of delivering the project and accelerating construction activity. Last year, for example, the Authority began a focused effort to strengthen its right of way organization and significantly improved right of way delivery, which paved the way for the significant progress we have made in construction I just described to you. The Authority, in partnership with the FRA, will work to sustain and build upon this progress.

The Authority is currently tracking almost \$1.8 billion in ARRA expenditures and accruals against its \$2.55 billion ARRA HSIPR grant. Based on progress to date and updated projections, the Authority will meet the September 30, 2017 statutory deadline for expenditure of ARRA funds and ensure that every single dollar is spent for the purpose it was intended.

C. Updated Cost Estimates

Mr. Chairman, during this Subcommittee's January 2014 oversight hearing you cited a number of cost estimates for the program, some now several years old. Our experience, now that we are in construction, is that our design-build contract bids have actually come in significantly lower than our estimates. On average, Construction Package 1 and Construction Package 2-3 bids came in approximately 30 percent below our estimates. As announced in January 2016, bids for the Construction Package 4 contract continued this trend and came in about 25 percent below our estimate. All told, the bids for these design-build construction packages have come in approximately \$537 million to \$1.7 billion lower than our high and low range estimates. That said, we have been experienced some challenges on our first construction package. Acquiring right of way has lagged and third party agreements have taken longer and are now projected to cost more than originally predicted. We acted quickly to identify and address these challenges, enhanced our land acquisition process and increased our estimates for third party agreements. And, importantly, as we go forward, we continue to maintain appropriate levels of project contingency.

The Authority's 2016 Business Plan presents a comprehensive update of our capital cost estimates, factoring in the lessons derived from our first design-build construction bids, design refinements suggested in those proposals and through other reviews, advancing more detailed engineering and design work, conducting value engineering, incorporating contractors' viewpoints and other changes. Through this process our overall Phase 1 cost estimate has been significantly reduced. For the same scope of work, these updated estimates reflect an eight percent reduction in costs, down to \$62.1 billion in year of expenditure dollars (YOES), when compared to the \$67.6 billion (YOES) estimate presented in our 2014 Business Plan.

I would also like to remind this Subcommittee that, as a result of a bipartisan request in 2012, the Government Accountability Office (GAO) conducted a detailed and exhaustive audit of our capital cost estimating methodologies. In releasing its final report in March 2013, it found, among other things that "...the Authority substantially met best practices for developing accurate cost estimates."

As a result of the lower capital cost estimates, we now propose to reinvest some of these savings to enhance service levels in the vital Los Angeles to Anaheim segment. A \$2.1 billion investment in that corridor will fulfill the commitment we made in our 2012 and 2014 Business Plans to provide one-seat ride service all the way to Anaheim. Our investments will also significantly enhance the capacity, speed and reliability of this high demand rail service. Moreover, it will greatly benefit public safety by grade-separating some of the most dangerous at-grade crossings in the state.

After incorporating this additional investment for Anaheim, which represents a change in scope since our 2014 Business Plan, our cost estimate has still been reduced from \$67.6 to \$64.2 billion (YOES), which is our revised Phase 1 system capital cost estimate presented in the 2016 Business Plan.

D. Progress on Environmental Clearance

Over the last two years, significant progress has been made in advancing environmental clearance of the Phase 1 system. In June 2014, we achieved a National Environmental Policy Act (NEPA) Record of Decision on the Fresno to Bakersfield section. Completing the rest of the environmental clearance for the entire Phase 1 system as soon as possible is a high priority for the Authority. Doing so will provide maximum flexibility to take advantage of opportunities to develop any segment of the system as funding and circumstances allow.

E. State Funding: Cap and Trade and Proposition 1A

Mr. Chairman and Ranking Member, while the federal government is a critical and necessary partner in the California High-Speed Rail program both today and in the future, the majority of funding currently committed to the program is California state funding. Additionally, since this Subcommittee's January 2014 hearing, the State of California has brought a new source of funding to the table for this program.

In 2014, the state began providing "Cap and Trade" auction proceeds to the Authority for the California High-Speed Rail program. Cap and Trade auction proceeds are revenue generated by the state from the sale of emission allowances as part of the state's efforts to reduce greenhouse gas (GHG) emissions. Significantly, with the June 2014 enactment of Senate Bill 862, the Legislature and Governor approved an annual appropriation of 25 percent of the annual Cap and Trade proceeds on a continuous basis to fund California High-Speed Rail.

This long-term commitment of Cap and Trade proceeds to the program has influenced the program's strategic direction as expressed in 2016 Business Plan; with this new funding, and the public federal and state funds already committed to the project, the Authority is positioned to deliver the first operating high-speed rail line in the country by expanding beyond the Central Valley into Silicon Valley. To date, we have received \$1.1 billion in Cap and Trade funds for high-speed rail.

Additionally, in 2008, California voters approved the “Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century” (Proposition 1A). Proposition 1A authorizes the state to issue \$9.95 billion of general obligation bonds, \$9 billion of which will be used to develop high-speed rail. Proposition 1A also stipulated certain operational requirements and that the system would operate free of federal, state or local subsidy. Approximately \$2.6 billion of this authorized funding has been appropriated by the California State Legislature to match federal grant funds in the Central Valley; and \$1.1 billion has been appropriated for “Bookend Investments” including Caltrain electrification on the San Francisco Peninsula and other early improvements in Southern California. Another \$950 million is authorized for regional connectivity projects, as laid out in Proposition 1A. These funds have been used to fund regionally significant projects in Northern and Southern California including \$61 million for the Central Subway Project in San Francisco, \$35 million for Metrolink Positive Train Control, \$114 million for the Regional Connector Transit Corridor Project in Los Angeles and \$58 million for improvements to the Blue Line light rail system in San Diego.

The Authority has successfully and favorably resolved all Proposition 1A litigation challenges filed to date. Trial court rulings in 2013 against the Authority were completely reversed on appeal; the reversal is now final. A remaining claim not heard as part of the 2013 rulings was heard and decided in 2016 at the trial court level in favor of the Authority and was not appealed by the appeal deadline so is also now final. The Authority anticipates taking the final procedural steps to access appropriated Proposition 1A bond funds this year so that it can utilize this funding for construction next year.

II. Some Key Elements of the 2016 Business Plan

A. Silicon Valley to Central Valley Initial Operating Line

Mr. Chairman and Ranking Member, based on the above developments, as well as updated ridership, revenue and other forecasts, we have evaluated how to most efficiently achieve the objective of getting a high-speed passenger rail line into operations as quickly as possible with existing federal and state funding committed to the program.

Our analysis shows that an operating line that connects the Silicon Valley (from Diridon Station in San Jose) to Central Valley (an interim facility north of Bakersfield)³ meets Proposition 1A requirements, including non-subsidized operations. This “Silicon Valley to Central Valley” initial operating line can be built with available funding from Proposition 1A bonds, federal funds and the continued anticipated Cap and Trade proceeds.

The 2016 Business Plan describes how we plan to build the Silicon Valley to Central Valley line by 2024 and begin offering passenger service on it by 2025. We also determined that this is the

³ The Authority's goal is to avoid the need for an interim station. If, however, an interim station is needed due to funding constraints, consideration will be given to alternative locations, such as adjacent to the existing Amtrak station in the City of Wasco, with the goals of reducing the level of interim investment, minimizing impacts, and maximizing connectivity with the permanent station in Bakersfield.

best way to begin sequencing of the larger Phase 1 system. By building a line connecting northern California to the Central Valley - commencing service and starting to generate revenue - we will be in a position to attract private investment and unlock additional capital to help move the rest of the system forward.

Mr. Chairman, during this Subcommittee's January 2014 oversight hearing, you called on the Authority to develop a plan that accepts economic and budgetary realities. I would highlight for your attention the March 25, 2016 letter from the California High-Speed Rail Peer Review Group that states, "[The draft 2016 Business Plan] is also the first Plan in which the Authority is shaping its approach in accord with the funding it considers available rather than relying on unspecified sources. This shift from an "unconstrained" approach to a "constrained" approach lays out the Authority's assessment of what, given certain assumptions, they can deliver using existing funding sources." I believe that, in many ways, the Authority's 2016 Business Plan addresses the issue that you have raised.

At the same time, the implications of the Silicon Valley to Central Valley connection are tremendous. Today it takes about three hours to drive from Fresno to the Bay Area; flights are available but often at exorbitant prices. With this new connection, a trip from Fresno to San Jose will take about an hour on high-speed rail, which is a game changer both for the people and the economy of the Central Valley and for Silicon Valley as well. New job markets will be opened up for people living in the Central Valley, and creating a high-speed rail connection to the Central Valley would help address the affordable housing crisis in the Bay Area. New linkages will be created between higher education institutions in the Central Valley and high-tech and other cutting edge industries in the Silicon Valley. And some high-tech companies might choose to locate certain corporate functions in the Central Valley where commercial real estate is less expensive, generating new job opportunities in this region.

That said, the Authority's objective is that the initial line would extend to Bakersfield and San Francisco, tying into the electrified Caltrain corridor. This extended line would significantly enhance ridership and revenues and therefore attract higher value private sector concession bids based on future discounted cash flows. It will require approximately \$2.9 billion of additional funding to extend the line to Bakersfield and for initial improvements in the San Jose to San Francisco corridor to allow reasonable operation of high-speed rail trains in the Caltrain corridor between San Jose and the 4th and King Station in San Francisco and ultimately Transbay Transit Center. That would be a good investment, however, since it would generate significant additional ridership and revenue that could be monetized as an additional \$4.4 billion private investment in the program.

It is also the Authority's goal to complete a connection to Merced. Given the opportunity to leverage more ridership, revenue and private sector participation, our priority will be to secure additional funds, including federal, to complete the full San Francisco to Bakersfield line. The state is working with the City and County of San Francisco and others to develop options for funding the extension from San Jose to San Francisco. On a cost-benefit basis, this extension would provide significant benefits for the system as a whole, enhance regional mobility and connectivity and expand private participation. If those additional funds are not forthcoming, we can and will still construct the Silicon Valley to Central Valley line described above.

B. Concurrent System-wide Strategic Investment

Mr. Chairman and Ranking Member, it is important understand that while the Authority is currently delivering a major construction project in the Central Valley, we have also formed strategic partnerships throughout the State of California. Through these partnerships, we are making discrete investments that connect state, regional and local rail systems, and that provide immediate mobility, environmental, economic, safety and community benefits. Together, these investments are also preparing a solid foundation for high-speed rail. We will continue to enter into partnering agreements with other transportation providers to aggregate federal, state and local funding sources and advance regional planning and coordination. This approach will yield the best and fastest results.

Here in Northern California, we have already taken several concrete steps to lay the foundation for high-speed rail in the region. We are proceeding with environmental review and working with regional partners and stakeholders to determine the best, most efficient ways to integrate the high-speed rail system into local communities.

Additionally, we have entered into a Memorandum of Understanding (MOU) with the Peninsula Corridor Joint Powers Board whereby we are providing Proposition 1A funds to enhance the existing rail corridor between San Francisco and San Jose by fully electrifying the Peninsula Rail Corridor. These improvements will allow the high-speed rail system to eventually blend with the Caltrain commuter rail system. Caltrain is also installing an advanced signal system, including positive train control, which will significantly improve performance and enhance safety on the corridor.

Further, we will be entering into an MOU with the City of San Mateo to provide funding for three connected grade separations, including a grade separation that is number seven on the California Public Utilities Commission (CPUC) list of top priorities. This project will increase the efficiency of future blended operations in the Caltrain corridor, and also have significant near-term safety benefits.

Connecting Northern California to the Central Valley will also include significant station improvements creating new multimodal connections in northern California – San Francisco, Millbrae, San Jose and Gilroy – and new linkages to stations being planned in Merced, Madera, Fresno and Kings/Tulare in the Central Valley. These investments and linkages will enhance the commercial and retail opportunities at each station, increasing the economic activity in and around them.

- In 2014, the City of Gilroy and the Authority entered into a station planning agreement to work together to develop a station area plan that will serve Gilroy, south Santa Clara County and surrounding areas. Gilroy will become a new gateway to the Bay area bringing new opportunities for redevelopment and economic growth.
- Connecting high-speed rail into the Diridon Station in San Jose (the tenth largest city in the nation) will provide connections to Bay Area Rapid Transit (BART), Altamont

Corridor Express, Caltrain, Santa Clara Valley Transportation Authority light rail and buses, Amtrak's Coast Starlight service and the Capitol Corridor (Amtrak). In April 2016, we entered into a station area planning agreement with the City of San Jose and our transportation partners to develop new intermodal transportation opportunities in the region and encourage transit-oriented development and smart growth policies around it.

- In addition to transit, rail and ground connections, the Millbrae Multi-Modal Station will facilitate a connection to San Francisco International Airport (SFO) allowing Central Valley residents to connect quickly and efficiently to SFO for national and international travel.

The Authority's 2016 Business Plan also firmly restates our commitment, as embodied in a 2012 Southern California MOU, to work with our state and regional partners and accelerate regionally significant concurrent investments in Southern California (while maintaining the goal of starting service on the full Phase 1 system by 2029). Through this 2012 Southern California MOU, we are working with our partners to leverage resources, work together to secure new funding, identify and fund projects ready to move into construction (or advance others through environmental clearance) and advance improvements as quickly as possible. As in Northern California, these discrete investments will provide significant near-term improvements that will benefit passenger, freight and auto traffic, while serving as incremental building blocks for high-speed rail service in California.

For example, the approximately 45-mile rail corridor connecting Burbank-Los Angeles-Anaheim is of regional and statewide significance and is critical to supporting the economy of Southern California. In addition to moving people, it is a vital freight and goods movement corridor. It is part of the nation's second busiest Amtrak line, is serviced by Metrolink commuter rail service and it will be an essential link in the statewide high-speed rail system.

Therefore, the Authority has worked closely with Caltrans, the California State Transportation Agency (CalSTA) and regional partners to develop an initial package of projects that can be advanced quickly, provide immediate benefits and is integral to sequencing in high-speed rail service in the Burbank-Los Angeles-Anaheim corridor. Focused, strategic early investment projects - like grade separations - will increase capacity and improve the speed, safety and efficiency of existing passenger and freight services. We will seek to increase the number of projects that can be completed by leveraging additional funding sources, including the Transit and Intercity Rail Capital grant program, funded by Cap and Trade proceeds, as well as federal funding programs.

- This year, the U.S. Department of Transportation awarded a \$15 million Transportation Investment Generating Economic Recovery, or "TIGER" Discretionary Grant for Rosecrans/Marquardt Avenue Grade Separation Project. The CPUC has identified it as the most hazardous grade crossing in California. It is also one of the priority projects identified in the 2012 Southern California MOU, and the Authority is providing \$68.6 million of Proposition 1A funding for this \$137.2 million project. When complete, it will yield significant traffic, safety and air quality benefits. Passenger rail services throughout the region will dramatically improve - allowing service to the Inland Empire to more

than double from Los Angeles. Orange County could also see a greater than 50 percent increase in rail service as well.

III. Looking Ahead

Mr. Chairman and Ranking Member, we have made tremendous progress in the last two years. We are achieving real results, creating jobs and opportunities for people, and delivering Nation's first high-speed rail system with the funding that Congress and the Administration have provided. The State of California has also committed significant resources to delivering the Nation's first system. *High-speed rail is happening, and we're making it happen together.* Looking ahead, we must continue this partnership.

We applaud your leadership in enacting the Fixing America's Surface Transportation Act (the FAST Act, P.L. 114-094) last year, which provides a five-year authorization of highway, transit, safety and rail programs. We appreciate that the FAST Act authorizes a total of \$2.2 billion for rail funding from the General Fund over five years, and we urge you to work with your Congressional colleagues to ensure that funding for these programs is appropriated. We also appreciate the improvements that you have made to federal transportation credit assistance programs such as Transportation Infrastructure Finance and Innovation Act (TIFIA) and the Railroad Rehabilitation and Improvement Financing (RRIF) program.

However, traditionally, transportation infrastructure projects of this magnitude can rely on the federal government as a funding partner with dedicated, predictable federal grant funding of up to 50 percent or higher. Key transportation corridors, such as the Interstate Highway System, were built with 90 percent federal funding. Yet, while the U.S. has invested \$10 billion in high-speed rail through the ARRA and Fiscal Year 2010 Appropriation Act funds, in 2015 alone, China invested \$126 billion—more than 10 times what the U.S. has invested during the last eight years—on high-speed rail projects.⁴

Here in California, we believe that America is a country with bold vision that does big things, and we believe that robust investment in infrastructure benefits our industry, opens freight capacity to enhance the flow of agricultural products and sustains an innovative state economy that helps drive America's economic competitiveness. The California High-Speed Rail program represents the first ever effort to build an intercity high-speed passenger rail system in this country. California is at the forefront of developing an entirely new American industry where investments *in* and the development *of* new technologies, manufacturing capabilities, and innovative business practices will create high-skilled, good paying jobs and benefit American public works for decades.

We believe that the California High-Speed Rail program may serve as model of a federal, state, industry and labor partnership that creates jobs, links economies and communities, creates new mobility options, preserves our environment and builds a sustainable future. We must build on the momentum and the lessons we are learning here in California – we cannot continue to let America fall behind its counterparts in Europe and Asia in high-speed rail.

⁴ http://www.chinadaily.com.cn/china/2016-01/04/content_22926538.htm

Therefore, we urge Congress to provide significant, long-term, dedicated and predictable federal investment for our Nation's high-speed rail corridors. Earlier this year, CalSTA Secretary Brian P. Kelly wrote members of the U.S. Congress to support the Obama Administration's proposal to provide \$6 billion in fiscal year 2017 for high-performance rail service: \$2.3 billion for Current Passenger Rail Service (e.g., capital expenses on Amtrak state-supported routes) and \$3.7 billion for Rail Service Improvements (e.g., construction of new high-performance passenger rail networks), and I would like to strongly reaffirm California's support for this proposal.

IV. Conclusion

In closing, I would like to thank you again for allowing me to provide you with an update on the exciting progress the Authority has made towards implementing the nation's first high-speed rail system. I look forward to continuing to work with the Subcommittee to ensure that the nation's first high-speed rail system is built correctly, cost-effectively, and in the best interest of the nation's and California's taxpayers.